

HOUSE BILL No. 1149

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-3-23.

Synopsis: Repeal of valuation method for certain property. Provides for the expiration of the property tax valuation method for special integrated steel mill and oil refinery/petrochemical equipment. Repeals a related noncode provision.

Effective: January 1, 2011 (retroactive).

Smith V

January 6, 2011, read first time and referred to Committee on Ways and Means.

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First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1149



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-3-23, AS AMENDED BY P.L.246-2005,
- 2 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JANUARY 1, 2011 (RETROACTIVE)]: Sec. 23. **(a) This section**
- 4 **applies only to assessment dates before 2012.**
- 5 **(a) (b)** For purposes of this section:
- 6 (1) "adjusted cost" refers to the adjusted cost established in 50
- 7 IAC 4.2-4-4 (as in effect on January 1, 2003);
- 8 (2) "depreciable personal property" has the meaning set forth in
- 9 50 IAC 4.2-4-1 (as in effect on January 1, 2003);
- 10 (3) "integrated steel mill" means a person, including a subsidiary
- 11 of a corporation, that produces steel by processing iron ore and
- 12 other raw materials in a blast furnace in Indiana;
- 13 (4) "oil refinery/petrochemical company" means a person that
- 14 produces a variety of petroleum products by processing an annual
- 15 average of at least one hundred thousand (100,000) barrels of
- 16 crude oil per day;
- 17 (5) "permanently retired depreciable personal property" has the



1 meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1,
2 2003);

3 (6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in
4 effect on January 1, 2003);

5 (7) "special integrated steel mill or oil refinery/petrochemical
6 equipment" means depreciable personal property, other than
7 special tools and permanently retired depreciable personal
8 property:

9 (A) that:

10 (i) is owned, leased, or used by an integrated steel mill or an
11 entity that is at least fifty percent (50%) owned by an
12 affiliate of an integrated steel mill; and

13 (ii) falls within Asset Class 33.4 as set forth in IRS Rev.
14 Proc. 87-56, 1987-2, C.B. 647; or

15 (B) that:

16 (i) is owned, leased, or used as an integrated part of an oil
17 refinery/petrochemical company or its affiliate; and

18 (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS
19 Rev. Proc. 87-56, 1987-2, C.B. 647;

20 (8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as
21 in effect on January 1, 2003); and

22 (9) "year of acquisition" refers to the year of acquisition
23 determined under 50 IAC 4.2-4-6 (as in effect on January 1,
24 2003).

25 ~~(b)~~ (c) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
26 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the
27 taxpayer's special integrated steel mill or oil refinery/petrochemical
28 equipment by multiplying the adjusted cost of that equipment by the
29 percentage set forth in the following table:

30 Year of Acquisition	Percentage
31 1	40%
32 2	56%
33 3	42%
34 4	32%
35 5	24%
36 6	18%
37 7	15%
38 8 and older	10%

39 ~~(c)~~ (d) The department of local government finance shall designate
40 the table under subsection ~~(b)~~ (c) as "Pool No. 5" on the business
41 personal property tax return.

42 ~~(d)~~ (e) The percentage factors in the table under subsection ~~(b)~~ (c)

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1 automatically reflect all adjustments for depreciation and obsolescence,
 2 including abnormal obsolescence, for special integrated steel mill or oil
 3 refinery/petrochemical equipment. The equipment is entitled to all
 4 exemptions, credits, and deductions for which it qualifies.

5 ~~(e)~~ (f) The minimum valuation limitations under 50 IAC 4.2-4-9 do
 6 not apply to special integrated steel mill or oil refinery/petrochemical
 7 equipment valued under this section. The value of the equipment is not
 8 included in the calculation of that minimum valuation limitation for the
 9 taxpayer's other assessable depreciable personal property in the taxing
 10 district.

11 ~~(f)~~ (g) An election to value special integrated steel mill or oil
 12 refinery/petrochemical equipment under this section:

- 13 (1) must be made by reporting the equipment under this section
- 14 on a business personal property tax return;
- 15 (2) applies to all of the taxpayer's special integrated steel mill or
- 16 oil refinery/petrochemical equipment located in the state (whether
- 17 owned or leased, or used as an integrated part of the equipment);
- 18 and
- 19 (3) is binding on the taxpayer for the assessment date for which
- 20 the election is made.

21 The department of local government finance shall prescribe the forms
 22 to make the election beginning with the March 1, 2003, assessment
 23 date. Any special integrated steel mill or oil refinery/petrochemical
 24 equipment acquired by a taxpayer that has made an election under this
 25 section is valued under this section.

26 ~~(g)~~ (h) If fifty percent (50%) or more of the adjusted cost of a
 27 taxpayer's property that would, notwithstanding this section, be
 28 reported in a pool other than Pool No. 5 is attributable to special
 29 integrated steel mill or oil refinery/petrochemical equipment, the
 30 taxpayer may elect to calculate the true tax value of all of that property
 31 as special integrated steel mill or oil refinery/petrochemical equipment.
 32 The true tax value of property for which an election is made under this
 33 subsection is calculated under subsections ~~(b)~~ (c) through ~~(f)~~ (g).

34 (i) **This section expires January 1, 2013.**

35 SECTION 2. P.L.131-2008, SECTION 76 IS REPEALED
 36 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)].

37 SECTION 3. **An emergency is declared for this act.**

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